

# **State of Alaska FY2008 Governor's Operating Budget**

## **Department of Environmental Conservation Office of the Commissioner Component Budget Summary**

## Component: Office of the Commissioner

### Contribution to Department's Mission

Provide support and policy direction to the divisions in the department.

### Core Services

- Develop partnerships and work cooperatively with the regulated community and other government and non-governmental stakeholders to protect human health and the environment.
- Lead department employees to accomplish department priorities and performance measures.
- Represent the department's authorities and responsibilities on the Governor's cabinet.
- Work with the legislature on the department's budget and legislative priorities.
- Represent the department's authorities and responsibilities on the Exxon Valdez Trustees Council.
- Adjudicate administrative appeals of department decisions.
- Approve department regulations for public notice and adopt final regulation changes for filing with the Lieutenant Governor.

End Results	Strategies to Achieve Results
<b>A: The department operates in accordance with the Administration's policies and initiatives.</b>  <u>Target #1:</u> Strategic Plan is 100% implemented by fiscal year 2008. <u>Measure #1:</u> % of Strategic Plan implemented.	<b>A1: Lead development and implementation of Department initiatives.</b>  <u>Target #1:</u> Annual approval of 100% the department's budget request by the legislature. <u>Measure #1:</u> % of the department's proposed budget request approved by the legislature.  <u>Target #2:</u> All priority regulatory programs are revised for filing with the Lieutenant Governor's Office. <u>Measure #2:</u> % of completed priority program revisions.

### Major Activities to Advance Strategies

- Lead the department to accomplish goals and communicate performance.
- Lead the development of protective standards.
- Work within the government and with stakeholders, the public and the legislature to communicate department initiatives and needs.

### FY2008 Resources Allocated to Achieve Results

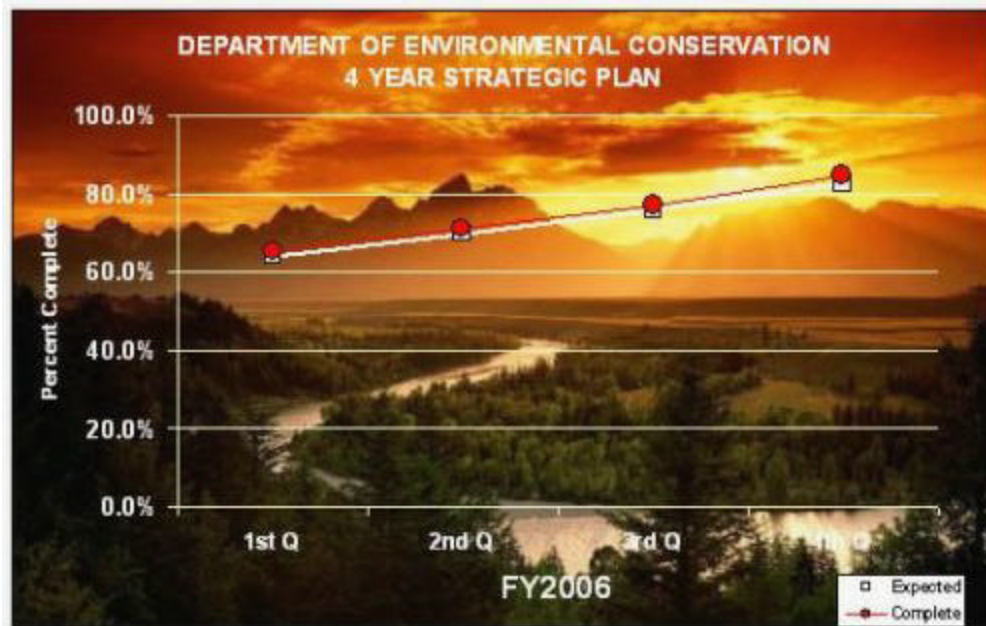
<b>FY2008 Component Budget: \$1,147,300</b>	<b>Personnel:</b>	
	Full time	10
	Part time	0
	<b>Total</b>	<b>10</b>

## Performance Measure Detail

**A: Result - The department operates in accordance with the Administration's policies and initiatives.**

**Target #1:** Strategic Plan is 100% implemented by fiscal year 2008.

**Measure #1:** % of Strategic Plan implemented.



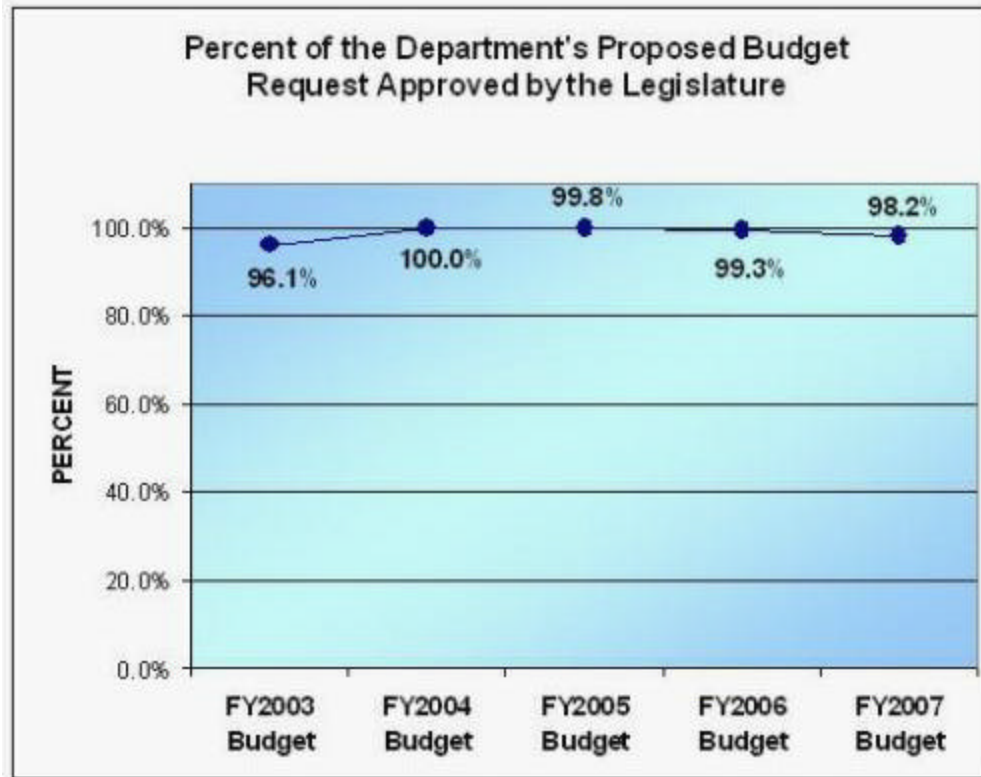
**Analysis of results and challenges:** DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health and the environment will be protected. We do this by influencing external entities to prevent abate or control pollution through a comprehensive protection program. We don't prevent pollution – we influence others to take preventative action and establish standards by which to measure success.

This measure determines departmental progress against the 4 Year Strategic Plan. Progress is measured against expected results for individual projects, and averaged over the department. Within the strategic plan, performance exceeds expectations.

**A1: Strategy - Lead development and implementation of Department initiatives.**

**Target #1:** Annual approval of 100% the department's budget request by the legislature.

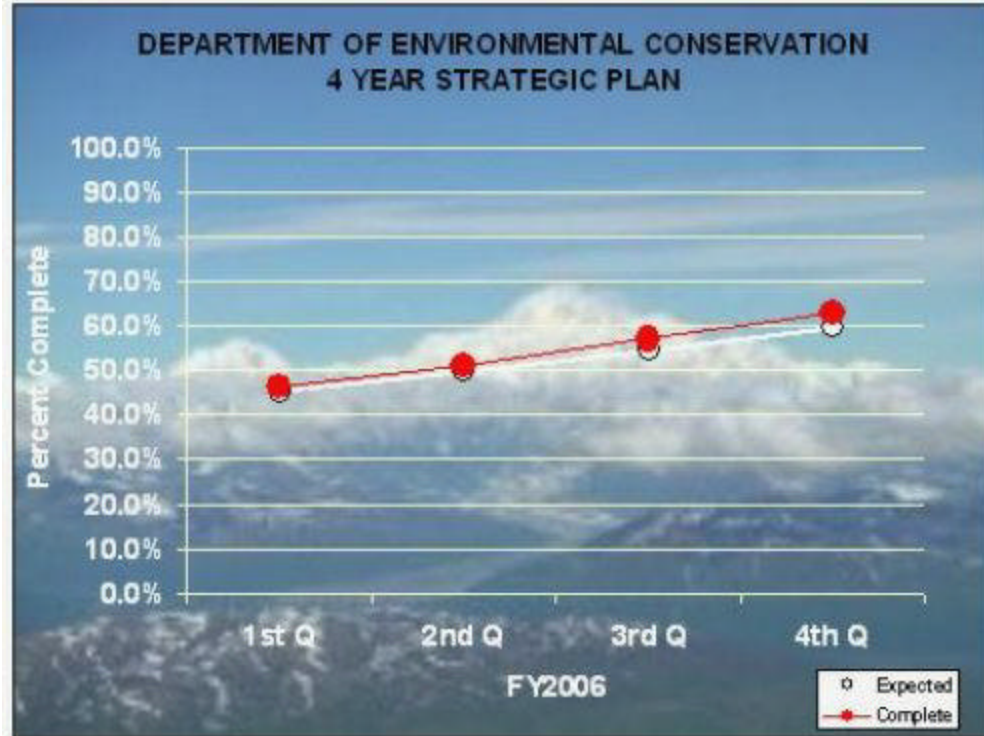
**Measure #1:** % of the department's proposed budget request approved by the legislature.



**Analysis of results and challenges:** This measure is reported annually. Budget activity for the upcoming fiscal year is usually complete by the middle of May, with data available for end of year reporting.

**Target #2:** All priority regulatory programs are revised for filing with the Lieutenant Governor's Office.

**Measure #2:** % of completed priority program revisions.



**Analysis of results and challenges:** All of the department's highest priority regulation revisions were completed and filed with the Lieutenant Governor.

## Key Component Challenges

- The Commissioner's Office clearly communicates to the public and affected stakeholders what services can be realistically expected from the department's human and fiscal resources.
- Hiring and retaining competent staff continues to be a challenge. Due to higher salaries and benefits offered by the private sector, the department continues to lose good employees; impacting our ability to manage programs successfully.

## Significant Changes in Results to be Delivered in FY2008

Administrative Order #229 established the Lease Monitoring and Engineering Integrity Coordination Office (LMEIC) within the Department of Natural Resources (DNR) as a lead and single point of contact for the permitting, authorization and oversight of oil and gas production from state land. Designated Agencies related to oil and gas production from state lands are providing a liaison officer and appropriate support for LMEIC office activities. A budget transaction establishes the liaison, administrative support and provides for other standard support costs within the Commissioner's Office.

## Major Component Accomplishments in 2006

The department was very successful in working with interested stakeholder work groups and the public on the following major state policy issues:

### EVOS Injured Resources and Services Update

The Commissioner joined with the Attorney General and Commissioner of Fish and Game as the three state Exxon Valdez oil spill Trustee Council members, to ensure assessment was completed of the natural resource and human service recovery from the 1989 spill. The findings indicate that most injured resources have substantially recovered, or are experiencing natural fluctuations that cannot be distinguished from spill impacts. The State Trustees believe the

most appropriate future course of action is for the state and federal agencies with jurisdiction to carry out on-going monitoring and management of the recovering resources with the remainder of the original settlement monies. In addition to proposals for restoring the herring stocks and other species, the state Trustees supported funding a number of community economic restoration projects and facilities to restore the human services injured by the spill. The state Trustees opposed the federal Trustees preference to fund general natural resource research.

#### Better Permitting

The Commissioner's Office continued the department's focus on strengthening water and air permitting. Permits are essential to environmentally responsible development. They provide important information about impacts on the environment. A permit provides all stakeholders the opportunity to learn about a proposed project, comment, and receive a substantive response from us before final decisions are made.

In FY2005, new legislation was passed directing DEC to seek primacy for the National Pollutant Discharge Elimination System (NPDES) wastewater currently managed by EPA in Seattle. NPDES program development has been initiated and beginning in FY2008, permitting, compliance and enforcement will be done by Alaskans who are knowledgeable about Alaskan conditions. DEC is also developing regulations that: 1) provide for department automatic authorization, or "permits by rule", for lower risk wastewater discharges which meet specified eligibility, minimum standards and practices, notification, and fee requirements; 2) improve water quality standards and ensure they reflect current science and legislative direction; and 3) integrate the department's permitting of projects with multiple waste streams, such as mines.

#### Improved Oil Spill Response

Successful response to a major oil spill in the Aleutians caused by the Selendang Ayu. The response implementation of the state's zero tolerance policy for protecting Alaska's wild salmon, pollock, and crab resulted in record harvests, no contamination of seafood product and no depression of market prices as a result of the spill. The combined value of these fisheries was over \$600 million.

#### Brought oil and gas flow pipelines under regulation

After evaluating pipeline spills and conducting a two-year workgroup review process, new corrosion control regulatory requirements for flow lines in Cook Inlet and Alaska's North Slope were put in place. Recent crude oil transmission pipeline spills on the North Slope have caused an enhanced interagency effort to examine the integrity of all legacy oil field systems. Oversight of the aging infrastructure will continue to have an expanded emphasis in the future.

#### Effective Food Safety Statewide

The Commissioner initiated a complete redesign of our food safety program. Our previous approach depended heavily on regular site inspections and was virtually impossible to deliver consistently across our large and roadless state. Our new approach relies on operator certification, restaurant specific risk management and rigorous enforcement by DEC. This new program will provide equal protection from Metlakatla to Barrow. It will hold owners and operators responsible for knowing how food becomes contaminated and assures that standard operating procedures protect their customers. We will move from the spot inspection of the past to mandatory every-day management systems.

#### Better Understanding of Public Health Threats

Funding was secured for two important studies to protect public health. The first study measures the effects of exposure to diesel exhaust in rural Alaska. As a result of human health studies, EPA is requiring ultra low sulfur fuel for diesel trucks and buses by 2007. While there are few trucks and buses in rural Alaska, every community depends on diesel generators for electricity. National initiatives will not help us decide the safest course for Alaskans. We are now gathering the necessary health information ourselves.

Funds were also allocated to complete fish tissue sampling to measure mercury in Alaskan species. Both the EPA and the FDA have issued repeated warnings about exposure to mercury in fish. We are continuing this study to provide Alaska specific information about the quality of our subsistence, sport caught and commercially harvested stocks. The average consumption of subsistence caught fish in Alaska ranges from 10 to 20 times more than the consumption levels used by EPA. The commercial catch is important too. Alaska's 5 billion pound harvest represents over 50% of the total US commercial catch.

#### Created Careers at DEC

DEC developed the "Careers at DEC" program to improve DEC staff recruitment and retention. The program's goals are to reduce turnover, facilitate knowledge transfer, develop internship and mentoring programs, and strengthen ties with universities. DEC has 509 positions with a current vacancy rate of 13%. In 2005 the turnover rate at DEC was 22%. It

is anticipated that as many as 40% of the current employees will be eligible for retirement in the next five years. Compensation for State employees has lost some of its competitive advantage. To combat the trend and prepare for the future, the Careers at DEC program created formal internship and mentoring policies and procedures, established memoranda of agreement with all University of Alaska campuses to recruit and place interns, conducted a formal survey of DEC employees to assess what might be done to retain good employees, and drafted a retention plan based on the results of the staff survey.

### Statutory and Regulatory Authority

AS 46.03.010; AS 46.08.040; AS 46.08.050

Contact Information
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### Office of the Commissioner Component Financial Summary

*All dollars shown in thousands*

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	670.2	789.2	1,066.2
72000 Travel	53.9	26.3	32.3
73000 Services	38.3	12.2	22.2
74000 Commodities	18.2	10.6	26.6
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>780.6</b>	<b>838.3</b>	<b>1,147.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	374.1	395.4	451.0
1004 General Fund Receipts	373.7	394.9	451.0
1007 Inter-Agency Receipts	3.9	0.0	193.4
1018 Exxon Valdez Oil Spill Settlement	28.9	48.0	51.9
<b>Funding Totals</b>	<b>780.6</b>	<b>838.3</b>	<b>1,147.3</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	374.1	395.4	451.0
Interagency Receipts	51015	3.9	0.0	193.4
<b>Restricted Total</b>		<b>378.0</b>	<b>395.4</b>	<b>644.4</b>
<b>Total Estimated Revenues</b>		<b>378.0</b>	<b>395.4</b>	<b>644.4</b>



**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>394.9</b>	<b>395.4</b>	<b>48.0</b>	<b>838.3</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 08 Health Insurance Increases for Exempt Employees	0.5	0.4	0.0	0.9
<b>Proposed budget increases:</b>				
-Administrative Order #229 - Required liaison and administrative support	0.0	0.0	193.4	193.4
-FY 08 Retirement Systems Rate Increases	55.6	55.2	3.9	114.7
<b>FY2008 Governor</b>	<b>451.0</b>	<b>451.0</b>	<b>245.3</b>	<b>1,147.3</b>

**Office of the Commissioner  
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	8	10	Annual Salaries	639,413
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	459,788
			<i>Less 3.00% Vacancy Factor</i>	(33,001)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>8</b>	<b>10</b>	<b>Total Personal Services</b>	<b>1,066,200</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	1	0	1
Commissioner	0	0	1	0	1
Dep Commissioner	0	0	1	0	1
Exec Secretary II	0	0	1	0	1
Information Officer III	0	0	1	0	1
Prog Coordinator	0	0	3	0	3
Spec Asst To The Comm I	0	0	1	0	1
Special Staff Assistant	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>